

103^D CONGRESS
1ST SESSION

H. R. 2368

To amend the Internal Revenue Code of 1986 to provide a deduction for expenses of providing care for certain elderly individuals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1993

Mr. BILIRAKIS (for himself, Mr. LIPINSKI, Mr. SMITH of New Jersey, Mr. DOOLITTLE, Mr. MACHTLEY, Mrs. THURMAN, Mr. GREENWOOD, and Mrs. MEYERS of Kansas) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a deduction for expenses of providing care for certain elderly individuals, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Older Americans Eco-
5 nomic Security Act of 1993”.

1 **SEC. 2. TAX DEDUCTION FOR CARE OF CERTAIN ELDERLY**
2 **INDIVIDUALS.**

3 (a) IN GENERAL.—Part VII of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 (relating to
5 additional itemized deductions for individuals) is amended
6 by redesignating section 220 as section 221 and by insert-
7 ing after section 219 the following new section:

8 **“SEC. 220. EXPENSES FOR CARE OF CERTAIN ELDERLY IN-**
9 **DIVIDUALS.**

10 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
11 individual, there shall be allowed as a deduction an
12 amount equal to the amount by which the qualified elderly
13 care expenses paid by the taxpayer during the taxable year
14 exceed 5 percent of the adjusted gross income of the tax-
15 payer.

16 “(b) DEFINITIONS.—For purposes of this section—

17 “(1) QUALIFIED ELDERLY CARE EXPENSES.—

18 The term ‘qualified elderly care expenses’ means
19 payments by the taxpayer for in-home custodial
20 care—

21 “(A) provided to any qualifying elderly in-
22 dividual, and

23 “(B) not compensated for by insurance or
24 otherwise.

1 “(2) QUALIFYING ELDERLY INDIVIDUAL.—The
2 term ‘qualifying elderly individual’ means any indi-
3 vidual—

4 “(A) who has attained age 65 before the
5 close of the taxable year, and

6 “(B) who is—

7 “(i) a parent or grandparent of the
8 taxpayer during the taxable year, or

9 “(ii) a dependent (as defined in sec-
10 tion 152) of the taxpayer during the tax-
11 able year.

12 “(3) CUSTODIAL CARE.—The term ‘custodial
13 care’ means services which constitute personal care
14 and which do not entail or require the continuing at-
15 tention of trained medical or paramedical personnel,
16 such as help in walking and getting in and out of
17 bed, assistance in bathing, dressing, feeding, and
18 using a toilet, preparation of special diets, and su-
19 pervision over the taking of medication which would
20 otherwise usually be self-administered.

21 “(c) SPECIAL RULES.—

22 “(1) DETERMINATION OF PARENTS AND
23 GRANDPARENTS.—Paragraph (2) of section 152(b)
24 (relating to rules relating to general definition of de-
25 pendent) shall apply to the determination of whether

1 any of the relationships specified in clause (i) of sub-
 2 section (b)(2)(B) exists.

3 “(2) DENIAL OF DOUBLE BENEFIT.—No deduc-
 4 tion or credit shall be allowed under any other provi-
 5 sion of this chapter with respect to any amount for
 6 which a deduction is allowed under subsection (a).”

7 (b) DEDUCTION NOT SUBJECT TO FLOOR ON MIS-
 8 CELLANEOUS ITEMIZED DEDUCTIONS.—Subsection (b) of
 9 section 67 of such Code is amended by striking “and” at
 10 the end of paragraph (12), by striking the period at the
 11 end of paragraph (13) and inserting “, and”, and by add-
 12 ing at the end thereof the following new paragraph:

13 “(14) the deduction under section 220 (relating
 14 to expenses for care of certain elderly individuals).”

15 (c) CLERICAL AMENDMENT.—The table of sections
 16 for part VII of subchapter B of chapter 1 of such Code
 17 is amended by striking the last item and inserting the fol-
 18 lowing new items:

“Sec. 220. Expenses for care of certain elderly individuals.
 “Sec. 221. Cross reference.”

19 **SEC. 3. INCLUSION OF CERTAIN GOODS AND SERVICES DO-**
 20 **NATED BY PHYSICIANS OR REGISTERED PRO-**
 21 **FESSIONAL NURSES TO ELDERLY INDIVID-**
 22 **UALS AS CHARITABLE DEDUCTIONS.**

23 (a) IN GENERAL.—Subsection (c) of section 170 of
 24 the Internal Revenue Code of 1986 (relating to charitable

1 contribution defined) is amended by inserting after para-
2 graph (5) the following new paragraph:

3 “(6) An individual who has attained age 65 and
4 who is not a member of the donor’s family if the
5 contribution or gift is the rendering of medical serv-
6 ices or the provision of medical goods by a physician
7 (as defined in section 213(d)(4)) or by a registered
8 professional nurse.”

9 (b) VALUATION OF GOODS AND SERVICES DO-
10 NATED.—Section 170 of such Code (relating to charitable,
11 etc., contributions and gifts) is amended by redesignating
12 subsection (m) as subsection (n) and by inserting after
13 subsection (l) the following new subsection:

14 “(m) VALUATION OF CONTRIBUTIONS AND GIFTS
15 DESCRIBED IN SUBSECTION (c)(6).—The value of con-
16 tributions and gifts described in subsection (c)(6) shall be
17 determined as if provided to an individual under the insur-
18 ance program established by part B of title XVIII of the
19 Social Security Act (42 U.S.C. ch. 7, subch. XVIII, part
20 B), in accordance with the provisions of subsections (a)
21 and (c) of section 1833 of such Act (42 U.S.C. 1395l).”

1 **SEC. 4. TAX-FREE WITHDRAWALS FROM INDIVIDUAL RE-**
2 **TIREMENT ACCOUNTS TO PAY LONG-TERM**
3 **CARE EXPENSES OR TO PURCHASE LONG-**
4 **TERM CARE INSURANCE.**

5 (a) IN GENERAL.—Subsection (d) of section 408 of
6 the Internal Revenue Code of 1986 (relating to tax treat-
7 ment of distributions from individual retirement accounts)
8 is amended by adding at the end the following new para-
9 graph:

10 “(8) DISTRIBUTIONS TO PAY LONG-TERM CARE
11 EXPENSES OR PURCHASE LONG-TERM CARE INSUR-
12 ANCE.—

13 “(A) IN GENERAL.—Paragraph (1) shall
14 not apply to any amount paid or distributed out
15 of an individual retirement account or individ-
16 ual retirement annuity to the individual for
17 whose benefit the account or annuity is main-
18 tained if the entire amount received (including
19 money and any other property) is used, within
20 30 days after the individual receives the pay-
21 ment or distribution—

22 “(i) to pay long-term care expenses of
23 the individual, or

24 “(ii) to purchase insurance covering
25 such expenses.

1 “(B) LONG-TERM CARE EXPENSES DE-
2 FINED.—For purposes of subparagraph (A), the
3 term ‘long-term care expenses’ means, with re-
4 spect to an individual, expenses incurred by the
5 individual for—

6 “(i) custodial or health care provided
7 to the individual in a nursing home, and

8 “(ii) any goods or services provided to
9 the individual outside a nursing home in
10 connection with the provision of custodial
11 or health care to the individual.”

12 **SEC. 5. EFFECTIVE DATE.**

13 The amendments made by this Act shall apply to tax-
14 able years beginning after December 31, 1993.

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